

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 EURE-00 AID-05 CIAE-00
COME-00 EB-08 FRB-03 INR-07 NSAE-00 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05
SS-15 STR-04 CEA-01 DODE-00 NSCE-00 SSO-00
USIE-00 INRE-00 L-03 H-01 FS-01 ABF-01 /093 W
-----084309 041516Z /45

O R 041311Z AUG 77
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 8395
INFO AMCONSUL ADANA
AMEMBASSY ATHENS
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
USMISSION GENEVA
AMEMBASSY THE HAGUE
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMEMBASSY LONDON
AMEMBASSY NICOSIA
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY STOCKHOLM
AMEMBASSY VIENNA

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USOECD; USEEC; PARIS ALSO RFC

E.O. 11652: N/A
TAGS: EFIN, EGEN, ETRD, TU
SUBJECT: READJUSTMENT OF TURKISH LIRA EXCHANGE RATES

1. EFFECTIVE MORNING OF AUGUST 3, GOT READJUSTED
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EXCHANGE RATE BETWEEN TURKISH LIRA (TL) AND TEN LEADING
FOREIGN CURRENCIES, BUT RATE WITH U.S. DOLLAR REMAINS
UNCHANGED AT 17.85 TL PER DOLLAR.

2. TL WAS DEVALUED IN RELATION TO SEVEN EUROPEAN
CURRENCIES AND REVALUED WITH RESPECT TO THREE OTHER
LEADING CURRENCIES. CURRENCIES GAINING VALUE FROM TL

DEVALUATION WERE: FRG MARK, GAINING 4.52 PERCENT FROM 7.30 TO 7.63 TL; POUND STERLING, UP 1.0 PERCENT FROM 30.0 TO 30.30; SWISS FRANC, WHICH GAINED 6.5 PERCENT FROM 6.80 TO 7.24; FRENCH FRANC, GAINING 2.2 PERCENT FROM 3.50 TO 3.575; DUTCH FLORIN, UP 2.0 PERCENT FROM 7.0 TO 7.14; AUSTRIAN SCHILLING, WHICH GAINED 4.3 PERCENT FROM 1.03 TO 1.074; AND BELGIAN FRANC, UP 2.9 PERCENT FROM 0.48 TO 0.494 TL. CURRENCIES LOSING VALUE FROM REVALUATION WERE: CANADIAN DOLLAR, WHICH LOST 2.4 PERCENT FROM 16.70 TO 16.30 TL; DANISH CROWN, DOWN 2.3 PERCENT FROM 2.98 TO 2.91 TL; AND SWEDISH CROWN, LOSING 3.7 PERCENT FROM 4.14 TO 3.99 TL. QUOTATIONS ARE OFFICIAL CASH BUYING RATES. RATES AGAINST ITALIAN LIRA, NORWEGIAN CROWN, AND AUSTRALIAN DOLLAR ALSO REMAINED UNCHANGED.

3. COMMENT. ACCORDING TO NACI TIBET, DEPUTY GOVERNOR, CENTRAL BANK, BASIC PURPOSE OF THESE ADJUSTMENTS WAS ONLY TO REFLECT RECENT CHANGES IN MARKET RELATIONSHIPS OF MAJOR CURRENCIES. CENTRAL BANK, HE SAID, HAD CHOICE EITHER OF REVALUING TL AGAINST DOLLAR OR DEVALUING IT AGAINST MOST OF THE OTHER MAJOR CURRENCIES. SINCE MAJOR PORTION OF TURKEY'S TRADE IS WITH EUROPE, CENTRAL BANK DECIDED TO DO LATTER. GOVERNMENT ALSO CHANGED SPECIAL RATES OF CONVERSION ON WORKER REMITTANCES IN EACH CURRENCY BY SAME PERCENTAGE AS EXCHANGE RATE ADJUSTMENT IN THAT CURRENCY. IN FACT, ONE OF EFFECTS GOT PROBABLY HAD IN LIMITED OFFICIAL USE

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MIND WAS TO PROTECT INFLOW OF REMITTANCES FROM TURKISH WORKERS IN SEVEN CURRENCIES FOR WHICH TL WAS DEVALUED.

4. FURTHER DEVALUATION SEEMS LIKELY. CURRENT BLACK MARKET RATE IN ISTANBUL IS REPORTED TO BE 22 TL TO THE DOLLAR. EMBASSY HAS NO INDICATION ABOUT FREQUENCY OR ULTIMATE EXTENT OF FUTURE DEVALUATION. LOCAL PRESS SUGGESTS THAT NEW GOVERNMENT WILL CHOOSE FREQUENT, SMALL DEVALUATIONS, AS PREVIOUS GOVERNMENT DID. EMBASSY WOULD TEND TO AGREE, ESPECIALLY IN VIEW OF FACT THAT 23-PERCENT DEVALUATION AGAINST DOLLAR, ACCOMPLISHED OVER LAST 26 MONTHS, WAS HANDLED SMOOTHLY THROUGH SERIES OF SMALL DEVALUATIONS.
SPIERS

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Message Attributes

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Sent Date: 04-Aug-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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